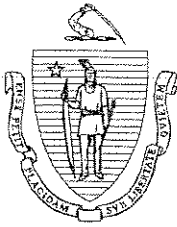


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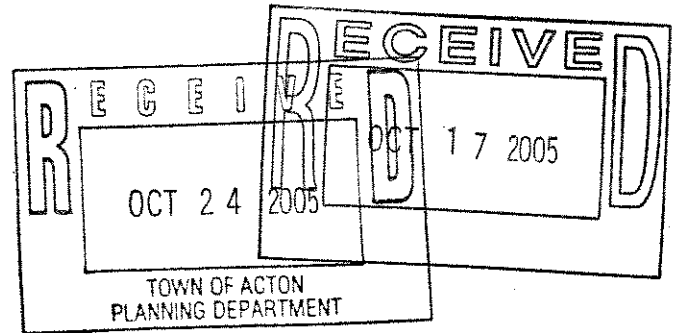


Commonwealth of Massachusetts
DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT

Mitt Romney, Governor ♦ Kerry Healey, Lt. Governor ♦ Jane Wallis Gumble, Director

October 11, 2005

Mr. Peter K. Ashton, Chairman
Board of Selectmen
472 Main Street
Town of Acton
Acton, MA 01720



Dear Mr. Ashton:

The Department of Housing and Community Development (DHCD) commends the Town of Acton on the initiative it has shown in submitting its Affordable Housing Plan for consideration under the Planned Production regulatory provision, 760 CMR 31.07(1)(i). We recognize the time and effort involved in developing local affordable housing plans, particularly thoughtful, well-researched ones such as Acton, and we applaud the community for taking this proactive step toward increasing opportunities for affordable housing.

While the DHCD fully expects that with some modifications and inclusion of supplementary information, Acton's plan can be approved under this provision, the Department cannot grant approval at this time as the plan does not currently meet all of the requirements of 760 CMR 31.07(1)(i). The missing elements are explained below. The town can amend the plan and resubmit it for further consideration at any time.

Although the Plan does address use restrictions through the inclusion of an adapted model deed, the Planned Production review staff has recently been advised that inclusion of "model" and/or customized legal documents can present legal and implementation problems. DHCD has updated the Guidelines/FAQ's for Planned Production to reflect this change in program emphasis. To assist with this transition in program guidance, DHCD has developed some use restriction language that can be adopted by communities to fulfill the corresponding Planned Production requirements. Accordingly, we ask that Acton remove the attached LIP Regulatory Agreement from the plan and replace the existing text in the "Description of Use Restrictions" section with the following language:

Affordable units must serve households with incomes no greater than 80% of the area median income for which the unit is located. Units must be subject to use restrictions or re-sale controls to preserve their affordability as follows:

- *For a minimum of thirty years or longer from the date of subsidy approval or construction for new construction.*
- *For a minimum of fifteen years or longer from the date of subsidy approval or completion for rehabilitation.*

- *Alternatively, a term of perpetuity is encouraged for both new construction and completion of rehabilitation.*

Units are or will be subject to an executed Regulatory Agreement between the developer and the subsidizing agency unless the subsidy program does not require such an agreement. The units have been, or will be marketed in a fair and open process consistent with state and federal fair housing laws.

Consistent with the regulatory provisions and guidelines governing Planned Production, compliance requires an annual increase in the number of low and moderate income units by at least $\frac{3}{4}$ of 1% of a community's total year-round housing units. As submitted, Acton's Affordable Housing Plan proposes to produce .75% increase in affordable units per year (on page 40). This level of production does comply with the Planned Production target of $\frac{3}{4}$ of 1% that requires, in this case, a minimum of fifty-seven (57) eligible units annually. However, the Department requests that a chart or expanded language be added to the plan that details the types of housing and the proposed timeline for production. In addition, a statement from the town's Chief Elected Official endorsing the changes will be needed before final approval.

If Acton can modify its Affordable Housing Plan to address the issue's noted above, the town will have a plan that the Department can approve in accordance with 760 CMR 31.07(1)(i). I applaud your efforts to plan for the housing needs of Acton. If you need assistance as you implement the changes requested please contact me at (617) 573-1357.

Sincerely,



Phillip DeMartino,
Technical Assistance Program Coordinator
Office of Policy Development

Don P. Johnson, Town Manager, Acton
Dan Hill, Esq.